ऑयल वैल्स ONGC ने छोड़े हैं और गुजरात के उस कारर्पोरेशन ने वहां फिर एक्सप्लोरेशन शुरु करने के लिए जो डिमांड की है,उसके बारे में सरकार ने क्या निर्णय किया है?

श्री मुरली देवरा:पहला जो आपने बॉयोगैस के बारे में सुझाव दिया है, इसके लिए अलग से क्वेश्चन चाहिए,लेकिन मैं इसके लिए आपको जवाब दूंगा कि इस बारे में सरकार क्या कर रही है? दूसरा आपने गुजरात के बारे में कहा है तो मुझे इस समय इसके बारे में जानकारी नहीं है। मैं आपको इसका लिखित में जवाब दे दूंगा।

Lower interest rate on loans to farmers

*46. SHRIJ ANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether banks are mandated to advance loans to farmers/ artisans, including Self-Help Groups, at reduced rate of interest;

(b) whether certain banks have not even made a single such advance;

(c) if so, the details thereof;

(d) whether it is a fact that loans for cars and other luxury items are freely extended by the banks at rates lower than the rate at which the loan is extended$_v$ if any, to the farmers and other poor customers; and

(e) if so, the details thereof and the action taken to ensure proper distribution of loans to the farmers at reduced rate of interest?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (e) A Statement is laid on the Table on the House.

Statement

(a), (d) and (e) As per guidelines of Reserve Bank of India, domestic scheduled commercial banks are mandated to lend to the priority sector (including to agriculture, weaker sections, SSI, etc.) to the extent of 40% of their Net Bank Credit (NBC). The stipulated lending by these banks is 18% of NBC to agriculture and 10% for weaker sections, including artisans, Self Help Groups etc. Though, interest rates charged by commercial banks have been deregulated, the interest rate on loans by Commercial Banks upto Rs. 2.00 lakhs should not exceed the Benchmark Prime Lending Rate (BPLR). However, due to public perception regarding over pricing of lending to agriculture and small and medium enterprises,

Indian Banks'Association (IBA) has been advised to review the BPLR system afresh and issue transparent guidelines for appropriate pricing of credit. IBA has advised Public Sector Banks to charge a rate of interest of not more than 9% per annum on crop loans upto Rs. 50,000/-.

(b) and (c) No, Sir. In case of public sector banks priority sector lending in the year ending March 2005, ranged from 36.61% to 51.33% of their NBC, and, in case of Private Sector Banks, from 10.17% to 54.49%.

SHRI JANARDHANA POOJARY: Sir, this question relates to lower interest rate on loans to farmers. You may kindly go through the question. Sir, (b) part of my question is, "whether it is a fact that loans for cars and other luxury items are freely extended by the banks at rates lower than the rate at which the loan is extended, if any, to the farmers and other poor customers; if so, the details thereof." Now, Sir, if you go through the reply of the hon. Minister, you will find that nothing has been mentioned at all about the rate of interest at which the banks are extending loans for cars and other luxury items. Now, you yourself have been seeing the plight of the farmers in the country. Hundreds of farmers are committing suicides. Now, the question is, when the loan can be extended to these car owners at a lower rate of interest, why is the Government not thinking of reducing the rate of interest from nine per cent for these poor farmers?

Sir, further, the Swaminathan Committee has recommended that the rate of interest for the farmers should be four per cent. The Government of Karnataka and also the Government of Maharashtra are giving loans to the farmers at the rate of six per cent. Why the Government of India, particularly, the nationalised public sector banks are not in a position to give loan to them at the rate of four per cent?

SHRI P. CHIDAMBARAM: Sir, this, of course, is a difficult and complex question. As far as the banking sector is concerned, under the guidelines of the RBI, interest rates have been deregulated, except in respect of loans up to Rs. 2 lakhs, where the guideline is, it should not exceed the benchmark prime lending rate. Within this guideline, the public sector banks have been advised that the farm loans up to Rs. 50,000 should not be charged at a rate more than nine per cent. The vast majority of short-term agricultural credit for the *rabi* crop or the *kharif* crop is below Rs. 50,000. There are, of course, some loans taken

by somewhat bigger farmers which are over Rs. 50,000, but, maybe, under Rs. 2 lakhs

The question is, should Government fix the interest rate for these farmers.

Sir, consistently, over the last many years Government has taken the position that Government should not interfere with the price mechanism of loans given to a sector, and this should be left to the judgement of the banks, the cost of funds raised by the banks, the cost of administration and the competitive market, where several banks are there to advance loans. The single biggest factor, which puts pressure, upward pressure, on the interest rate, is the cost of funds of the banks.

The next is the cost of administration. I shall elaborate upon it; please, allow me a couple of minutes. As far as agricultural loans are concerned, NABARD as the refinancing agency, is extending refinance at 5.5 per cent to all State cooperative banks. For State cooperative banks, which have NPAs over 20 per cent, it is lending at 5.75 per cent. So, we start with 5.5 per cent to 5.7 per cent.

In my view, if you have an efficient and well-administered cooperative credit structure, it is possible to lend at about 7 or 7.5 per cent because at every level there is a cost of administration. Unfortunately, as the Vaidyanathan Committee Report brings out, the cooperative credit structure is virtually in a shambles. And, that is why, with the approval of the hon. Prime Minister, we have announced a Rs. 13,500 crores package for revamping the cooperative credit structure. Pending that revamping, which is being designed with the consultation of State Governments, we have now to ensure that banks lend—banks borrow from NABARD at 5.5 to 5.75 per cent—at a reasonable rate. My distinguished colleague, Shri Janardhana Poojary, is absolutely right. The Karnataka State Government subsidises the interest rate and, therefore, they are able to lend at six per cent. Recently, the Government of Tamil Nadu has offered the subsidy, and I believe, they will also lend at six per cent. ...*(interruptions)*.... Some other State Governments are offering a subsidy.

The point is, should the Central Government step in and fix the interest rate. My respectful submission is, that would not be a wise thing to do. The correct thing to do is to bring down inflation, bring down the cost of funds and, therefore, enable the banks to lend at a lower rate.

That is the wise and prudent course to follow, in order to maintain macro-economic stability, and, at the same time, ensure that funds flow to the agricultural sector.

It is true that car loans and refrigerator loans are available at a lower rate. Nobody denies that. But there is an important distinction. I am not trying to make a judgement here. There is an important distinction between this loan and that loan. A car loan is a collateralised loan. The car can be repossessed. Therefore, banks have a lower risk. They think they have a lower risk in lending to a person who wants to buy a car, or where there is a salary certificate. It is the risks involved in a sector, the cost of refinance and the cost of administration, which determine the interest rate.

However, we are sympathetic to the concern. While we will address, in the long term, the question of inflation and the question of revamping the cooperative credit structure, we are working with the banks to ensure that the interest rate to farmers is brought down. But, that will critically depend upon our ability to master some other factors, namely, inflation and the cost of administration.

SHRI JANARDHANA POOJARY: Sir, is it a fact that even for Mercedes cars, the owners are given loans at the rate of 6 per cent? Does the cost factor not apply to those people? Does it apply only to the poor farmers, only the poor people?

My submission to the hon. Chairman is, there was a scheme, the differential rate of interest scheme, for the poor people.

The poor people, the small and marginal farmers are given loans at the rate of 4 per cent and only one per cent of the total loans is to be given to the borrowers. These bank people have stopped the lending of this loan at the rate of 4 per cent to the poor people. What is the Government doing? Is the Government taking it up with them? If it is stopped, why is it stopped?

SHRI P. CHIDAMBARAM: Sir, the record of the Government speaks for itself. When we came into office, the level of farm credit was approximately Rs. 80,000 crore. When actuals came, it was a little more than Rs. 80,000 crore. We promised to double farm credit in three years. So judge by what we have done. In the first year ...*(Interruptions)*...

MR. CHAIRMAN: Let him speak.

SHRI P. CHIDAMBARAM: May I be allowed to answer in my own way? So, judge by what we have done. In the first year, the target was Rs. 1,05,000 crore and we had extended credit Rs. 1,15,000 crore. In the second year, the target will again be achieved. I believe that at the year's end, we will show that we have extended credit of Rs. 1,41,000 crore. Bo the doubling of farm credit will take place not in three but well before the end of three years. So, credit is being extended. The question now is the price of credit. Now I will explain the factors which decide the price of credit. The supplementary question is: What happened to the DRI lending? The DRI lending programme is there. It has not been scrapped. Nobody scarpped it. At 4 per cent interest rate, a certain proportion of total credit must be lent to the very vulnerable sections. This includes not only farmers, but it includes artisans, it includes people who are extremely poor but are self-employed and we are ensuring that banks lend at 4 per cent to the categories which are covered under the DRI lending scheme. There is no scrapping. ...*(Interruptions)*... Just a moment ...*(interruptions)*...

MR. CHAIRMAN: Let him finish. ...*(Interruptions)*...

SHRI JANARDHANA POOJARY: What is the percentage given? Half per cent or one per cent is being given. You just verify. You are the Minister. Your bank people are giving only one per cent or half per cent ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, the question asked was: Has the DRI scheme been scrapped? My answer is, no. The DRI scheme is there and lending takes place. Now, the next question is: How much has been given by way of DRI? Now, the target is one per cent of the previous year's total advances given as DRI. It includes farmers as well as other categories. Now, the hon. Member wants to know the figures of DRI lending I will be very happy to collect the figures and furnish the same to him.

श्रीमती सुषमा स्वराज: धन्यवाद सभापति जी। सभापति जी, मुझे वित्त मंत्री जी का जवाब सुन कर बेहद दुख हुआ है। सभापति जी,वह बयान एक अच्छी अर्थव्यवस्था का दिवास्वप्न देखने वाले अर्थशास्त्री का तो हो सकता है,लेकिन एक संवेदनशील मंत्री का वह जवाब नहीं हो सकता। उन्होंने यह कहा कि एक अच्छा सहकारी बैंकों का ढांचा होना चाहिए।

श्री सभापति:आप यह कैसे मान रही हैं कि वे संवेदनशील हैं।

श्रीमती सुषमा स्वराज:वे नहीं है। सभापति जी उन्होंने कहा कि सहकारी बैंकों का एक अच्छा मजबूत ढांचा होना चाहिए, इंफ्लेशन रेट कम होना चाहिए। चाहिए तो बहुत कुछ,हकीकत यह है कि यह है नहीं। सच्चाई यह है कि किसान कर्ज न चुका पाने के कारण आत्महत्या करने को मजबूर हो रहे हैं और 100,200 नहीं,दो हजार किसानों की सूची एक राजनैतिक दल ने अकेले आन्ध्र प्रदेश में जारी करके सरकार को दिखायी है कि ये-ये लोग, ये इनके नाम है,ये इनके परिवार हैं, यह इनका पता है। ये सिर्फ इसलिए मरे हैं कि वे कर्ज नहीं चुका पा रहे हैं और आप यह कह रहे हैं कि इंटरवेंशन करने की जरुरत नहीं है। **...(व्यवधान)...**

SHRI RAJU PARMAR: What is the question? ...*(Interruptions)*...

SHRIMATI SUSHMA SWARAJ: I am asking the question.

सभापति जी, वित्त मंत्री जी ने कहा कि ऐसे में इंटरवेंशन करने की जरुरत नहीं है। मैं उन्हें यह कहना चाहती हूँ कि शोषित और उपेक्षित वर्ग के लिए इन्टरवेंशन करने की जरुरत है। सरकार हाथ-पर हाथ धरे बैठे नहीं रह सकती। हमने इस दर को 18-19 परसेंट से घटाकर 9 परसेंट किया था। आज इसको further घटाने की जरुरत है। **...(व्यवधान)...**

श्री सभापति:क्वैश्चन पूछिए। **...(व्यवधान)...**

श्रीमती सुषमा स्वराज:क्या आप किसानों की मृत्यु को देखते हुए इस दर को आगे घटाएंगे या नहीं और इंटरवेंशन करने के फैसले को बदलेंगे या नहीं? **...(व्यवधान)...**

श्री राजू परमार:यह दर्द किसने दिया,यह भी तो पता करिए। **...(व्यवधान)...**

श्रीमती सुषमा स्वराज:किसानों पर तो चुप कर जाइए। उस में तो कम-से-कम एक स्वर मिला लीजिए। मंत्री जी अपने आप जवाब दे देंगे। आपको उनको सपोर्ट करने की जरुरत नहीं है। **...(व्यवधान)...**

श्री सभापति:ठीक है,ठीक है। **...(व्यवधान)...**

SHRI P. CHIDAMBARAM. Sir, I am surprised about this indignation expressed by the hon. Member. I think she should have expressed her indignation to the Finance Ministers who were in Office for six years when NDA was in office.

श्रीमती सुषमा स्वराज: हमने घटाया। इसको 9 परसेंट किया। **...(व्यवधान)...**

SHRI P. CHIDAMBARAM: The point is that successive Governments have taken the position that it would not be wise or correct to directly intervene in the price mechanism. That has been the policy of the Governments. Having regard to that policy, I have already stated it is my desire and intention to ensure that farm loans are available at lower interest rates. We are making every effort and I will continue to make every effort. But, it is critically dependent, as I said, upon our mastery over inflation and the cost of administration. As we bring them down, farm lending rates will come down. In the interim, what can be done is under Government's consideration.

श्री सभापति: श्री नीलोत्पल बसु। ...(**व्यवधान**)...

श्री अमर सिंह:सर, आपका यह प्रयास कब तक सफल होगा, कितने दिनों में कितने साल में?

SHRI NILOTPAL BASU: Sir my first problem is that I am not very enlightened because these days, in the country, we have an age of enlightened public interest which has come into deciding policies. Sir, my simple question is that the Finance Minister has explained that the price of the credit package will depend on so many factors. Now, in spite of this risk calculation and all that, in giving loans to those big corporates from the Government after the banks properly apprising of the risks, what is the percentage of that loan which becomes NPA?

SHRI P. CHIDAMBARAM: Sir, we can certainly give the sector-wise NPAs. There is no difficulty in it. Total NPAs of all banks have come down to below 2 per cent. But, I will be very happy to furnish to hon. Member the sector-wise NPAs.

श्री सभापति:श्री शरद यादव। ...(**व्यवधान**)...

श्री शरद यादव:सभापति जी,मैं आपके माध्यम से मंत्री जी से निवेदन करना चाहता हूँ कि सन् 1951 में टोटल जी.डी.पी. में हमारे किसानों का,गांवों के 75 फीसदी लोगों का योगदान 51 परसेंट था। आज पूरे देश के वैल्थ में उनका टोटल योगदान 24 परसेंट है। वित्त मंत्री का जो जवाब है वह बहुत निराशाजनक है। इनका जो आर्थिक तंत्र है,ये उसकी मजबूरियां दिखा रहे हैं। यह जो तबका है,जो पूरे देश-भर में असली देश है, जब यह पीछे छूट जाएगा, तो फिर आगे देश का क्या होगा? इसलिए मेरा उनसे निवेदन है और जो सुषमा स्वराज जी ने कहा कि इसमें इंटरवीन करने की जरुरत है,क्योंकि देश में किसान आत्महत्या कर रहे हैं। एन.पी.ए. के बारे में तो जैसे आपको पता ही नहीं है। ...(**व्यवधान**)...

श्री सभापति: क्वैश्चन करिए।

श्री शरद यादव: सबसे ज्यादा एन.पी.ए. तो देश के जो लुटेरे लोग हैं,उनके पास है। आप उसमें कुछ करने को तैयार नहीं है,लेकिन देश के गरीबों को **...(व्यवधान)...** पुजारी जी ठीक कह रहे हैं, यानी आपको कुछ करना चाहिए। जो जवाब आप दे रहे हैं,उससे ऐसा लगता है कि जैसे आप कोई मशीन है। आपको मशीनी तरीके से **...(व्यवधान)...** आपके पास कोई संवेदना नहीं है। संवेदना का मतलब 75 फीसदी लोग हैं। आप 75 फीसदी लोगों के बारे में टाइम बाउंड बताइए कि आप कब तक इनको राहत देने का काम कर देंगे। यह जो आपका इंफ्रास्ट्रक्चर है,आपकी ये जो मजबूरियां हैं,आप कब इनकी बेडियों को तोड़ पाएंगे। मैं आपसे यह निवेदन करना चाहता हूँ।

SHRI P. CHIDAMBARAM: Sir, I don't mind the hard words uttered by my learned friend. I suppose, it is part of the job to take them. The point is that we are sensitive; we are concerned about the plight of farmers. We have substantially increased farm credit. Farm credit is available to more farmers today from the formal banking channels rather than the informal channels which are usually exploitative. In two years, we have added approximately one crore ten lakh new farmers to the portfolio of banks who otherwise were accessing credit from the informal sources.

This question relates to price and I have explained the policy of successive Governments. Given that policy, what can be done, what is the headroom to do something for the farmers, as I said, is under consideration.

Beyond this, I can only assure the House that this Government is sensitive to farmers. We will expand farm credit, as we have done in the last two years, at the rate of 30 per cent. But we will also ensure that macro-economic stability, which is in the long-term interest of the country, is not affected.

SHRI BALBIR K. PUNJ: Will you work for reduction of interest rates? *...(Interruptions)*

श्री एम.एस. गिल:सभापति जी, यह मामला बड़ा गंभीर है। काश, कि प्रधानमंत्री जी बैठे रहते,क्योंकि उनके सामने हम बात करना चाहेंगे। मैं यह भी अर्ज करुंगा कि एक दिन इस बजट सैशन में एग्रीकल्चर क्रेडिट और किसान के बारे में पूरे दिन की बहस हो ताकि जिसको जितना कहना हो,वह कह लें, क्योंकि देश का सारा फ्यूचर इसके ऊपर निर्भर करता है। ये 65 परसेंट लोग हैं और आप यह ठीक कह रहे हैं कि उनका जीडीपी में हिस्सा 20 परसेंट तक आ गया है,

कल को 5 परसेंट ही रह जाएगा। सर्विस इंडस्ट्रीज से शायद यह 57,52 परसेंट आ रहा है,जो अब ज्यादा जरुरी है,हम नहीं हैं। लेकिन,इसका सोचना होगा। मैंने बड़े ध्यान से फाइनेन्स मिनिस्टर साहब के जवाब सुने,पहला भी मैंने सुना है कि इंडस्ट्रीज में जो होता है, वह पुरानी बात है। तो उसको तो नोन- परफोरमिंग असेट किया जाता है और इधर कहा जाता है कि यह किसान की कुर्की करो। मैं पंजाब के पंजाबी पेपर पढ़ता हूँ,जो आपके अन्नदाता हैं, रोज भटिंडा,डिक्खी,अबोहर से लोग दुखी होकर दूसरी जगह जा रहे हैं, क्योंकि उनको और कोई मौका नहीं मिल रहा है। वे भी दो एकड़ वाले हैं,आंध्र प्रदेश की तो बात ही छोड़ो या किसी और राज्य की भी बात छोड़ो, इसलिए अगर आप 30,000 करोड़ खाने वाले को क्रेडिट दे रहे हो, सबसिडी दे रहे हो-let us talk what it is- सबसिडी दे रहे हो,तो फिर किसान का आपके कैलकुलेशन में नहीं आ रहे हैं और दूसरों के ऊपर बोझ नहीं डालना है,तो उसका भी 9 परसेंट पर,4 या 5 परसेंट पर लाओ,जैसे भी लाना है। इसके पीछे एक और भी मुसीबत है, पंजाब में जो सारा ग्रीन रिवोल्यूशन बना था, मैं भी उसको बनाने में हिस्सेदार हूँ, जो सारा ग्रीन रिवोल्यूशन बना था कोपरेटिव क्रेडिट, शॉर्ट टर्म क्रेडिट,अब वह कोपरेटिव क्रेडिट पंजाब में भी 20 परसेंट रह गया। अभी हम साहूकार की तो बात ही नहीं कर सकते, वह तो 70-75 परसेंट हैं।

श्री सभापति: आप क्वेश्चन कर लीजिए।

श्री एम.एस.गिल: सर, उसका तो कोई कह ही नहीं रहा कि उसका क्या करेंगे,40-50 परसेंट ले रहा है और इसीलिए उनकी जान ले रहा है। तो मैं भी मंत्री जी से आग्रह करुंगा,मैं पुजारी जी के इस मामले में बिल्कुल साथ हूँ,उनके साथ हूँ या नहीं हूँ, इनके साथ हूँ और यह अर्ज करुंगा कि इसके ऊपर कुछ सोचा जाए। इस साल तो नॉर्थ इंडिया में विंटर बारिश भी नहीं हुई। अब क्या बनेगा राजस्थान का, हरियाणा का और दूसरे राज्यों का?तो कृपा करके,मैं समझता हूँ कि इनका दिल किसान के लिए भी है,लेकिन आप उसका कोई एक्शन जल्दी से दिखाएं।

श्री नीलोत्पल बसु:सर,गिल साहब जो बोले हैं,यह जो स्वामीनाथन कमीशन पर रिपोर्ट आई है,अभी तक उसे सरकार लेकर नहीं आई है कि सरकार का इसके बारे में क्या विचार है। सरकार उसे हाऊस में लेकर आए। आप अगर इस बारे में सरकार को निर्देशित करें, तो हम स्वामीनाथन कमीशन की रिपोर्ट को आधार बनाकर बातचीत कर सकते हैं और किसी नतीजे पर पहुंच सकते हैं।

श्री शरद यादव:सर, आप ठीक कह रहे हैं।

श्री सभापति:माननीय सदस्य,ज्यादा अच्छा होगा कि इस विषय पर विस्तार से चर्चा हो जाए। अगर माननीय सदस्य नोटिस देंगे, **...(व्यवधान)...**

श्री नीलोत्पल बसु: सर,मेरा कहना यह है कि जो सरकार द्वारा नियोजित आयोग है,उसने एक बहुत अच्छी रिपोर्ट दी है। इसमें इसी लाइन में कुछ ठोस सिफारिश भी है,जिनके ऊपर चर्चा करके हम फैसला कर सकते हैं।

SHRI JESUDASU SEELAM: Sir, I want to raise an important point related to this. ...*(Interruptions)*.. I would like to know from the hon. Minister, in the rural areas, because of the 15 years of liberalisation, a lot of farmers have moved out to ...*(Interruptions)*..

SHRI DINESH TRIVEDI: Sir, I am also raising my hand. ...*(Interruptions)*..

श्री सभापति:आप बैठिए। आ रहा है,आपका नम्बर भी आ रहा है।

SHRI N. JOTHI: Sir, I too have a question. ...*(Interruptions)*..

श्री सभापति:यह देखिए नाम। सब हाथ रेज करेंगे तो मैं किस-किस का नाम बुलाऊंगा।

SHRI JESUDASU SEELAM; Sir, a lot of farmers have moved out to cities and towns in pursuance of lucrative avenues like real estate. So, in the villages, a lot of land is under ...*(Interruptions)*.. One minute, please**.** ...*(Interruptions)*..

SHRI C. RAMACHANDRAIAH: They are not going for lucrative ...*(Interruptions)*..

SHRI JESUDASU SEELAM: Why are you not allowing me to speak? ...*(Interruptions)*.. Please, let me speak ...*(Interruptions)*.. Why are you disturbing me? ...*(Interruptions)*..

SHRI DINESH TRIVEDI: There is no direct or indirect intervention of the Government. ...*(Interruptions)*..

MR. CHAIRMAN: Trivediji, please don't interrupt. Let him finish. ...*(Interruptions)*..

SHRI DINESH TRIVEDI: Sir, five lakh tonnes of foodgrain has been imported. ...*(Interruptions)*..

MR. CHAIRMAN: Please take your seat Trivediji. Let him finish first. Yes, you put your question, please.

SHRI JESUDASU SEELAM: Sir, a lot of agriculture land is being cultivated by the agricultural labourers...

MR. CHAIRMAN. What is your question?

SHRI JESUDASU SEELAM: I am coming to the question, Sir.

MR. CHAIRMAN: You first come to the question. Otherwise, I won't allow you.

SHRI JESUDASU SEELAM: Is there any provision the hon. Finance Minister is going to make for lending bank loan for purchase of agriculture land by the poorest of the poor?

SHRI P. CHIDAMBARAM: Yes, Sir. Banks will lend to purchase agricultural land for landless labourers. Banks will lend. If landless labourers apply, banks will consider.

SHRI JESUDASU SEELAM: They applied, Sir. But they have been told 'no'. I can show you so many cases. I have been to the people ...*(Interruptions)*..

MR. CHAIRMAN: Please, take your seat.

SHRI V. NARAYANASAMY: Sir, Poojaryji has expressed the sentiments of the House and also of the farmers. The hon. Finance Minister has also explained the cost of administration, and one aspect is strengthening the cooperative system. I would like to know from the hon. Finance Minister, compared to the loan being given to the nonproductive sector, like, purchasing cars and other luxury items, which is there in the question, when the farmers are producing, they are contributing ...*(Interruptions)*..

MR. CHAIRMAN: Come to the question.

SHRI V. NARAYANASAMY: I am coming to the question, Sir.

MR. CHAIRMAN: Come to you question first.

SHRI V. NARAYANASAMY: It is not the question of re-considering. Why don't you reduce the cost of administration and reduce the interest by reducing the cost of administration? why don't you do that? From 5.5 per cent it has gone to 14 per cent. Why has it gone to 14 per cent? In compound interest, it goes up to 21 per cent.

SHRI P. CHIDAMBARAM: Sir, I thought, in the answer to the first supplementary, I explained why, after re-finance is available between 5.5 per cent and 5.75 per cent, cooperative credit structure lends at a

much higher rate. It is because the cooperative credit structure is in a complete shambles. At every level, they are adding between 2-2.5 per cent which is why we want to revamp the entire cooperative credit structure. As far as the public sector banks are concerned, their cost of administration has come down. It is because their cost of administration has come down, they are able to adhere to the guideline that loans up to Rs. 50 thousand should not be charged more than 9 per cent. But, for the cooperative credit structure, I can only urge the State Governments to put their house in order so that they can lend at lower rate. But, I take the sentiments of the House. I am not insensitive to what is happening, nor am I oblivious to what is happening. But, given the macro economic situation, we will consider what best can be done.

SHRI M. VENKAIAH NAIDU: Mr. Chairman, Sir, I am happy that the hon. Minister said that he had understood the sentiments of the House. I hope that he will move in that direction. Sir, I have one request to the Chair and then I will put the question. This is a very important issue. I hope that the Finance Minister and the Agriculture Minister, both of them, will agree and we can have a two-hour discussion on the Swaminathan Report.

MR. CHAIRMAN: Wait for the discussion.

SHRI M. VENKAIAH NAIDU: Yes, Sir. We will give a notice, Sir. the question is straight now. I just say that there is a report. I do not know whether the Finance Minister has gone through it or not. A few months ago, an MP from the State of Maharashtra told me that in his constituency, an illegal moneylender kidnapped a farmer's wife and daughter for non-repayment of loan. We decided 'that we could not tolerate this.

SHRI P. CHIDAMBARAM: Which State?

SHRI M. VENKAIAH NAIDU: Maharashtra. The Minister is a good person. There is no doubt about it. He has made a statement and then some action is taken. Once the action is taken, private moneylender disappeared and public money is not coming. The Minister has told us just now that even today informal sector is providing 65 per cent of the loan; formal sector is providing only 35 per cent. Will the Minister take some more action to seek that this trend is reversed?

Secondly, subsidy portion that is provided ...*(Interruptions)*... Government of Tamil Nadu ...*(Interruptions)*...

MR. CHAIRMAN: That is another question. Your time is over.

SHR* M. VENKAIAH NAIDU: Will the Government of India consider subsidising it as a source of security measure for the farming community? Because they are under distress and vagaries of monsoon and other problems are there. Earlier the Government has reduced the interest rates from 15 per cent to 9 per cent.

MR. CHAIRMAN. Please, finish it.

SHRI M. VENKAIAH NAIDU: Similarly, can you do something in this regard?

SHRI P. CHIDAMBARAM: Sir, it is not correct to say that the interest rate was reduced to 9 per cent. What has happened is that there are guidelines issued that loans up to Rs. 50,000 should not be charged at more than nine per cent. That reflected the declining interest rates. And when interest rates were declining, it was possible to give such a guideline. We are adhering to that guideline; we have not changed that guideline. In fact, if interest rates decline, we can even revise the guideline in a manner more favourable to farmers. So, this is directly linked with the rate of inflation.

As far as the other suggestion is concerned, yes, of course, if the House wants a full-fledged discussion. I am sure, the Minister for Agriculture will be very happy to hold a discussion, and I will assist him to the best of my ability.

If the incident quoted by the hon. Member is right, it is a deplorable incident. You are absolutely right. Large sections don't get credit from official or formal sources. That is why, in each Budget, I have said that at least 50 lakh new farmers will be added. Let me give you a glimpse of what I am going to say on the 28th. We have added more than 50 lakhs in the first year of this Government, and we have added 50 lakhs or a little more in the second year of this Government. But we have to add more and more farmers as borrowers from formal channels and wean them away from the usurious moneylenders. We are moving in that direction. And I am happy that you support us.

As far as what we can do, given the macro-economic situation, how much room do we have to find a way to relieve the distress of the farmers, as I have said, the matter is under consideration.

SHRI N. JOTHI: Sir, nine per cent is being levied on crop loans up to Rs. 50,000. Farmers are not raising crop loan alone; they want loan for open-well and bore-well. Open-well would cost about Rs. 2 lakh and bore-well would cost a minimum of Rs. one lakh. Then loans for purchase of pumpsets, for purchase of tractors, for modernisation of fields, and for agricultural implements. They are all connected with farm sector. But the banks are treating them as development loan and charging 14 per cent interest. The very purpose of nationalisation of banks, which we all acclaimed, is to help the farming sector. Now, they are helping only Dabhol and Enron. Now, the purpose is regarding...*(Interruptions)*... Why are you shielding? What is wrong in my question for poor agriculturists? Are you all for industrialists?

MR. CHAIRMAN: Mr. Jothi, if you will not put the question, you will not get the answer.

SHRI N. JOTHI: Under the circumstances, will you treat all these loans such as pumpset loan, tractor loan, or bore-well loan or open-well loan or any loan, particularly in agricultural activity, as farm sector loan only at the rate of six per cent or four per cent?

MR. CHAIRMAN: Please, look at the clock. That is enough.

SHRI N. JOTHI: What is your answer?

SHRI P. CHIDAMBARAM: Sir, at the risk of repetition let me say that the primary instrument to fend to farmers is the cooperative credit structure. As long as the cooperative credit structure in this country was healthy and well-administered, farmers were able to access loans at low interest rates. All of us know that. And no one in this House, Sir, knows it better than you. You are the senior most person in this House and you know that as long as cooperative credit structure was healthy and well-administered, farmers were able to access loans; they did not have to go and knock on the public sector banks. It is the virtual collapse of the cooperative credit structure which has caused us problems. We are trying to revamp it. As far as loans for bore-wells, tractors, and implements are concerned, loans are being given. We are debating now the price of loan

to farmers, and I have said given the macro-economic condition, we will do our best.

As far as the price of loans for tractors, for bore-wells, etc. are concerned, these are not regulated and these are dependent upon the risk assessment by the farmer. But, as I know, loans are available at reasonably competitive rates for tractors and for implements and, that is why, I can give the figures, there is a large amount of lending today to buy tractors and other agricultural implements. *(Interruptions)*

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Impact of price determination policy of petroleum products

† *42.DR. MURLI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to the policy for determination of prices of petroleum products in the country the profit of product selling companies decreases, the consumer has to pay more and Government receive more revenue by way of taxes;

(b) if not, what are the facts in this regard; and

(c) the losses suffered by the companies and by the consumers on account of rise in prices and the profit earned by Government due to rise in the revenue during the first nine months of the year 2005-06?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) to (c) The combined profits of public sector Oil Marketing Companies (OMCs), namely, Indian Oil Corporation, Hindustan Petroleum Corporation, Bharat Petroleum Corporation and IBP Ltd., have declined from Rs.10,818 crores in financial year 2003/04 to Rs. 7,193 crores in financial year 2004/05. During the current year, they have incurred losses of Rs. 2,898 crores in the first nine months.

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† Original notice of the question was received in Hindi.